

Exhibit 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
THE EMPLOYEES RETIREMENT SYSTEM
OF THE GOVERNMENT OF THE
COMMONWEALTH OF PUERTO RICO, and
THE PUERTO RICO PUBLIC BUILDINGS
AUTHORITY,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

AMENDED DECLARATION OF SIMON JOHNSON

I, Simon Johnson, hereby declare:

1. Since 1997, I have been a professor at the Massachusetts Institute of Technology's Sloan School of Management, where I am currently the Ronald A. Kurtz Professor of Entrepreneurship and head of the Global Economics and Management Group. I received a Ph.D. in Economics from the Massachusetts Institute of Technology in 1989, an M.A. with Distinction in Economics from the University of Manchester (England) in 1986, and a B.A. with First Class Honors, in Economics and Politics from the University of Oxford (England) in 1984.

¹ The Debtors in these jointly-administered PROMESA title III cases (these "**Title III Cases**"), along with each Debtor's respective title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17 BK 3284) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric and Power Authority (Bankruptcy Case No. 17 BK 4780) (Last Four Digits of Federal Tax ID: 3747).

2. The Official Committee of Retired Employees of the Commonwealth of Puerto Rico (the “**Retiree Committee**”), through its counsel Jenner & Block, retained me in connection with the confirmation hearings on the *Seventh Amended Title III Joint Plan of Adjustment for the Commonwealth of Puerto Rico, et al.*, dated July 30, 2021 (“**Plan of Adjustment**”).

3. In connection with that engagement, I prepared my Testimony dated September 13, 2021, which is attached to this Declaration as RTC Ex. 1 [Dkt. 18822] (my “**Report**”).

4. As summarized in my full biography attached to my Report as Appendix 1, I have extensive expertise in addressing financial, economic, and public crises. Some of the work that I have done in these areas include the following engagements and appointments. From 2007 to 2008, I was the Economic Counselor (chief economist) at the International Monetary Fund. From 2017 to June, 2019, I was a member of the Center for a New Economy’s Growth Commission on Puerto Rico. From 2014 to 2016, I was a member of the Financial Research Advisory Committee in the U.S. Department of Treasury’s Office of Financial Research, where I chaired the Global Vulnerabilities Working Group. I was a member of the Congressional Budget Office’s Panel of Economic Advisors from 2009 to 2015. In 2016, I testified in support of the then proposed PROMESA legislation before the full Committee on Natural Resources and also before the Committee on Natural Resources, Subcommittee on Indian, Insular and Alaska Native Affairs.

5. The Retiree Committee, through its counsel, asked me to consider and provide opinions about: (i) the economic impact of the proposed adjustments in pensions, which has been agreed to by the Financial Oversight and Management Board for Puerto Rico (“**FOMB**”) and the Retiree Committee as set forth in the *Plan of Adjustment*; and (ii) the potential impact of any additional cuts to pensions, beyond the levels proposed.

6. Based on the work and analysis I performed, as set forth in my Report, I have reached the following opinions:

- (1) Any cut to the pensions of the government employees would have a negative impact on the Puerto Rican economy.
- (2) The proposed cuts of up to 8.5% above the threshold of \$1,500 per month are less damaging than the cuts originally put forward by the FOMB.
- (3) Any cuts that are deeper than the proposed cuts could significantly worsen the risks facing the economy over the medium term.
- (4) Cutting pensions further could destabilize economic prospects and jeopardize Puerto Rico's future access to credit markets.
- (5) The Plan of Adjustment's proposed treatment of pensioners relative to bondholders is justified based on current and likely future economic circumstances.

7. The analysis that underlies and supports each of my opinions is set forth in my Report, which I adopt as my testimony in this matter and incorporate herein.

I declare under penalty of perjury as provided in 28 U.S.C. § 1746 that the foregoing is true and correct according to the best of my knowledge, information and belief.

Dated: November 2, 2021

/s/ Simon Johnson
Simon Johnson